



**STATE OF NEW JERSEY**

***Board of Public Utilities***

*Two Gateway Center  
Newark, NJ 07102*

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION FOR )  
AN ORDER AUTHORIZING URBAN MEDIA )  
OF NEW JERSEY, INC TO PROVIDE )  
FACILITIES-BASED, AND RESOLD LOCAL )  
EXCHANGE AND INTRASTATE TOLL )  
TELECOMMUNICATIONS SERVICES )

ORDER OF APPROVAL

DOCKET NO. TE00040258

(SERVICE LIST ATTACHED)

BY THE BOARD:

By letter dated April 12, 2000, Urban Media of New Jersey, Inc., (Petitioner or Urban Media) filed a petition with the Board of Public Utilities (Board) requesting authority to provide facilities-based and resold local exchange and intrastate toll telecommunications service throughout the State of New Jersey. Petition at 1. Petitioner as part of the letter transmitting its responses to Staff's questionnaire states that certain financial projections as contained in the questionnaire are highly proprietary and confidential and wishes to have them protected from public disclosure. Additionally, Petitioner provided a copy of its response to Staff's questionnaire on June 20, 2000.

According to the petition, Urban Media was formed under the laws of the State of Delaware on March 21, 2000. Id. at 2, Exhibit 1. Petitioner's corporate offices are located at 101 University Avenue, Palo Alto, CA 94301. Petition at 3.

Petitioner has submitted copies of its Certificate of Incorporation, Certificate of Good Standing in New Jersey, and financial and technical qualifications information. Id. at 3, 4, and 5 and Exhibits 1, 2, and 3. According to the petition, Urban Media is a corporate subsidiary of UMC Holdings, Inc., which in turn is owned by Urban Media Communications Corporation (UMCC). All companies mentioned are Delaware corporations. Petition at 2, and 3. Petitioner advised that its corporate parent, UMCC, through various other subsidiaries, is currently authorized to provide local telecommunications services in Pennsylvania, the District of Columbia, and Texas. Id. at 5; Questionnaire at 2. Urban Media and its corporate affiliates have not been denied authority to provide telecommunications services in any State and there are no pending civil, criminal or administrative actions against them. Id. at 5.

Urban Media advised that it has not executed an interconnection agreement with Bell Atlantic-New Jersey (BA-NJ). However, it has notified BA-NJ that it wishes to opt-in to an existing interconnection agreement.

In both its petition and June 20, 2000 questionnaire, Petitioner advised that it seeks authority to provide all forms of telecommunications services to customers in commercial office buildings, throughout New Jersey. Petition at 3; Questionnaire at 2. These services, according to Urban Media, are to include, but will not be limited to: business line service, Centrex, PRI/BRI, intraLATA toll, interLATA toll, switched access, private line and calling card. Id. at 3.

Petitioner requested waivers of rules requiring the keeping of books and records in New Jersey and the maintenance of these records according to the Uniform System of Accounts (USOA). Petitioner wishes to maintain its books and records at its corporate offices at 101 University Avenue, Palo Alto, CA 94301 and to keep those books and records in accordance with Generally Accepted Accounting Principles (GAAP). Petitioner maintains that keeping its books and records in New Jersey and according to USOA would be unduly burdensome. Petitioner has agreed to provide to the Board any books and records desired and to reimburse the Board for any expenses incurred in viewing them. Id. at 7, 8.

Petitioner asserted that approval of its petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petitioner also asserted that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings. In addition, Petitioner stated that approval of its petition would facilitate economic development in the State of New Jersey. Id. at 6.

With regard to its managerial and technical qualifications, Urban Media stated that it possesses the technical capability and managerial qualifications on its own and through its parent, UMCC, to operate and manage its telecommunications operations in the State of New Jersey. Id. at 4. Petitioner submitted the professional biographies of its key personnel, who, according to Petitioner, are well qualified from both a managerial and technical point of view to provide Urban Media with a high degree of ability to run and manage its business.

Petitioner stated that through UMCC it has access to the financial capital necessary to conduct the telecommunications operations of the requested services as demonstrated by the income statements and balance sheet of its parent, UMCC. By affidavit of UMCC's Director of Regulatory Affairs, Petitioner asserted that this information contains extremely sensitive and strategic information that could be used by competitors to determine market share, revenue and other information damaging to it in the marketplace. Petitioner stated that UMCC and Urban Media are privately held and do not publish financial statements. Due to the sensitive nature of this information Urban Media requested that the Board limit access to such information.

## DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L., 104-104, 110 Stat. 56, which was codified in scattered sections of 47 U.S.C. §151 et seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any intrastate or interstate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to a demonstration of financial, technical and managerial integrity.

In considering this application, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). Approval is also in keeping with the New Jersey State Legislature's decision that it is the policy of the State to provide diversity in the supply of telecommunications services, and its findings that competition will "promote efficiency, reduce regulatory delay and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed the petition and the information supplied in support thereof, the Board FINDS that Petitioner has demonstrated that it possesses the requisite financial, technical and managerial resources which are necessary to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES Petitioner to provide local exchange and interexchange telecommunications services in New Jersey subject to approval of its tariff and submission of its own pro forma financial statements. The Board notes that Petitioner will not be able to provide telecommunications services until a tariff is approved by the Board and the required financial statements have been provided. Regarding the Petitioner's request for waivers of Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief, from its requirements to maintain its books and records under the USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board its books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES Petitioner's request for the exemption from maintaining its books and records in New Jersey and under the USOA.

With regard to the financial information in Exhibit 3 submitted with the petition the Board FINDS that the Petitioner has shown good cause, pursuant to N.J.A.C. 1:1-14.1 that this information merits protection from disclosure in order to prevent competitive harm to the Petitioner. Therefore, the Board DIRECTS that this financial information be kept under seal.

DATED: 9/12/00

BOARD OF PUBLIC UTILITIES  
BY:

(signed)  
HERBERT H. TATE  
PRESIDENT

(signed)  
CARMEN J. ARMENTI  
COMMISSIONER

(signed)  
FREDERICK F. BUTLER  
COMMISSIONER

ATTEST:

(signed)  
FRANCES L. SMITH  
SECRETARY